

CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

21 June 1973

MEMORANDUM: PERONISM IN POWER

SUMMARY

Juan Peron and the Peronist Movement, exiled from power and politics for almost 18 years, are back. Despite a systematic exclusion from government, Peronism retains an almost mystical hold on Argentina, and Peron, once discredited as a tyrant and moral degenerate, has emerged as a kind of a folk hero. Peron has managed his remarkable hold on Argentina, from long years of exile in Madrid, through careful manipulation of his followers who worship him and his philosophy of Social Justice with an almost religious fervor, and by preaching a brand of nationalism that has broad appeal. Peron's hand-picked choice for president, Hector Campora, overwhelmed his opposition in a vote which shows that many more Argentines than just the Peronist hard core want what Peron has to offer.

The Campora government has taken office initially promoting a relatively moderate line, but the Peronist program will create some problems for the US and the rest of Latin America. Peron has long preached that Argentina should reduce its ties to the "imperialist" US and shift its alliances to the "Third World". Argentina can thus be expected to take action against some US business interests at home and to become an outspoken voice of protest against US "domination" abroad. Brazil will also come in for its share of abuse from Argentina, although Peron has been pushing for Latin America to unite against the super powers.

Peronism's future depends in large part on how well Campora can do before the almost 78 year old Peron passes on. There are strains within Peronism that may defy Campora once Peron is no longer around to hold

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things together--strains that may press Campora toward more extremist policies. Yet, Campora has the advantages of natural Argentine wealth and a program of wide popularity to keep him going. Even a modicum of success could insure his survival, and Peron's place in history.

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Juan Peron and the Peronist Movement are returning to power in Argentina after 18 years of political exile for "El Lider" himself and the systematic exclusion of his followers from the mainstream of Argentine politics. Yet, throughout those 18 years, the weight of Peron's strength was always present and could not be ignored by either the country's civilian politicians or military officers who alternated in holding power. How is it that Peron, apparently discredited in 1955 as a ruthless fascist, as a man who plundered the Argentine treasury, as a sexual deviate, could be so enshrined in the hearts and minds of an advanced, sophisticated, and highly cultured society? How is it that Peronism, a vague concept of social justice in some ways more akin to a religion than a political movement, could so dominate Argentine politics?

When Peron first came to power in 1946, Argentina had had only a brief fling between 1919 and 1930 with the ideas of modern European social democracy. Before 1919, Argentina had been run by wealthy landowners and business interests centered in Buenos Aires. By 1930, the conservatives, seconded by the military, had rejected the radical intellectuals and returned to the traditional system. Peron was a product of this background--a professional but ambitious military officer, trained in part in Mussolini's fascist Italy--but he came to power in quite a different way.

Peron rode to power on the backs of Argentina's working class. He organized and politicized them, and gave them a voice in government they had never had before, even under the Radicals. In the early days, Argentina's young people and its large middle class were uncertain, even frightened of Peron. His style of rule, much in the manner of the typical caudillo, with an added flavor reminiscent of Italy or Spain, gave them no cause for relief. Nevertheless, the workers found in Peron a champion, and were willing to forgive his dictatorial style.

Peron added another ingredient--the mystic and almost religious veneration of his wife, Evita. She was the High Priestess of Peronism during her life with Peron, and became a saint in the religion of

Peronism after her death in 1952. While Peron's image began to fade in his last years of rule, hers remained untarnished.

By the time of his ouster in 1955, Peron had polarized the Argentine people. Many hated and reviled him, others worshiped him. A succession of governments that followed, suffering in part from his economic mistakes and systematically excluding his followers from politics, made the Peron era look increasingly good. Thus some people gradually forgot Peron's excesses in their nostalgia for the good times under his rule and their veneration of the man himself.

Now, Peronism is back--but it is quite a different Peronism than that which first brought victory in 1946. It has evolved from its fascist beginnings into a movement that embodies a variety of philosophies, some of them reminiscent of the early days, but most more leftist in nature. Peronism is really an evolution of the radical philosophy in Argentina, with an orientation away from the intellectual middle class toward the working class. The central theme stems from Peron's own concepts of Social Justice, or Justicialismo--an ideology that is more pragmatic than precise, but which probably represents the political philosophy of more than half of all Argentines. Peronists believe that the government should have control over the national economy and should not suffer the dictates of international or foreign business interests. They believe that the state should run the major industries and should control the national financial community. They believe that Argentina should have an independent foreign policy, free from ties to the super-powers, and should be able to exert its natural position of leadership in Latin America.

Beyond these major maxims, it is hard to define Peronism. Like many political movements, Peronism knows what it does not want--but has not been specific about where it is going. It claims to be anti-Communist, yet many of its young members have a certain Marxist-Leninist tinge. It claims that it is not fascist, yet among older adherents there is a significant current of right-wing

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ultra-nationalist fanaticism. Coupled with this vague political philosophy is the religious mysticism of the movement and the adulation of Peron, which grants him a certain aura of infallibility.

Part of the secret to the magic of Peron lies in the peculiar nature of the Argentine people and the vast riches of Argentina itself. Argentina is a European country that just happens to be attached to the land mass of South America. It is a unique combination of Spanish and Italian peoples, with some small admixture of other groups--Indians, British, Jews, Arabs, Germans--that has created for itself a way of life and a philosophy of living that has no equal in the Western Hemisphere. This way of life is the antithesis of the Calvinist ethic of the United States and some parts of Europe. It rejects hard work, it values leisure and the pursuit of pleasure, and it can sustain this ethic because of the richness of the pampas. This wealth has permitted Argentina to operate on the brink of economic failure for many years, while its people eat well and enjoy TV sets and cars--what one economist calls mini-prosperity with macro-chaos.

PROBLEMS FOR CAMPORA

The nature of Peronism and Peron's position within the movement create a variety of problems for the Campora government. After choosing Campora for his total loyalty, Peron demonstrated his hold over the movement by imposing this unpopular and obsequious figure on the rank and file. Campora's chief--and perhaps only--asset thus far is Peron's blessing.

Argentina's major political failing in the 20th century has been the inability of its politicians to subordinate their individual differences and work together. Now, because of the near-majority vote for Campora, the Peronist domination of congress, state and local offices, and the fact that the other major parties have similar political goals, the Peronist leadership may actually be able to put together a working coalition that will endure. In Peron's brief stay in Argentina last

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year, he managed to bring together a diverse group that includes relatively conservative labor leaders, impatient and radical youth, and moderate economic and business figures.

There are several issues, however, that could severely strain this coalition, and the economic ones are probably the most important. Argentina has suffered over the past few years from serious inflation, diminishing foreign investment, erratic grain and cattle production, and an inability to develop new export products at competitive prices. The Peronists are in an enviable position--they can probably impose a harsh and austere economic program and get away with it for a while. They will be, after all, the most popular government Argentina has had in twenty years, and they have vowed to correct the mistakes made by their military predecessors.

Unless they do something really extreme, which seems unlikely for the moment, the Peronists can probably count on labor, business, and much of the middle class to fall in line. Peronist youth, however, may not be so easy to convince. They have gone with Peron because he represents change and anti-militarism and has been saying "revolutionary" things. They have been the most fervent in their acceptance of the Peronist "religion," and they will probably be the first group to become disenchanted.

If they do, Campora could have a serious problem--especially if frustration or dissatisfaction turns them to revolution or terrorism. Some old guard Peronists believe the youth have not bought Peronism at all and are not "true believers," but that they have seen it primarily as a way to oust the military and as a possible vehicle for more revolutionary politics. Whether this is true or not, Campora may still have a serious dilemma, since moves to satisfy the more revolutionary aims of youth could alienate Peronism's traditional power base.

Campora's initial moves have reflected his moderate stance. He has chosen a cabinet of old-guard Peronist politicians and avoided placing more outspoken extremists in positions of influence. Yet, some sources--and some

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Peronist documents--claim that this is but an interim government, designed to hold the line until the Peronists have consolidated their hold. These reports predict that a more "revolutionary" government will be formed, perhaps in six months.

The future of Peronism hinges in great measure on Peron himself, now almost 78 years old, and on the ability of the Campora government to achieve a measure of success before the old man dies. If Peron goes without giving up at least some of his all encompassing command to his surrogates in Buenos Aires, Peronism could dissolve, in the traditional Argentine way, into a factionalized struggle for power. If Campora can hold things together, and satisfy youth and the skeptical middle class, the future of his government may be assured, with or without the presence of Peron.

A large factor in Campora's success or failure in the post-Peron struggle for leadership will be his ability to exploit the wave of adulation for Peron that is sure to start in the months to come. The renaming of streets, plazas, and buildings for Peron and Evita--a re-enactment of things that were commonplace during the first Peron era--will tend to sanctify the image of Peron himself. Campora, if he plays his cards well, can then claim that he should remain as the chosen interpreter of justicialismo.

The one major force that has suffered greatly in the resurgence of Peronism is the armed forces, long considered the final arbiter in politics. They forced out the Radicals in 1930 and have been deeply involved in politics ever since. They connived with Peron in bringing "El Lider" to power in 1946, and then--when they finally rejected him in 1955--removed him. They have been more than just a surrogate for the wealthy class, at least in the post-Peron era. In fact, most military officers probably subscribe to many of the nationalist tendencies within Peronism. What they object to involves Peron himself--a man who disgraced their uniform--and the "rabble" that surrounds him.

The armed forces still maintain the power to take control of the government, in a physical sense. They have the tanks and guns. They would face, however, a

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populace that had rejected them at the ballot box, and some segments of the Peronist movement that would take up arms against them. While Argentine military forces have been willing to trade blows with each other over their role in government, they have never been enthusiastic about confronting the popular will. And in the present state of public disillusion with the military government, only some major break-down in Campora's administration would prompt the people to call them back from the barracks in the near future.

IMPLICATIONS FOR THE US AND LATIN AMERICA

The changing nature of politics in Argentina will have most of its impact at home. Nevertheless, a major tenet of the Peronist philosophy involves a shift in foreign policy as well. Argentina has never considered itself either a truly Latin American country or a close ally of the United States. Its orientation has always been toward Europe. Peron's own view of the world was colored by service in Italy as an attache before World War II, by the pro-Nazism of much of the Argentine military during World War II.

These experiences probably lie behind a Peronist promise to shift Argentina away from the US toward an alignment with the "Third World."

What this means is more likely to be a shift toward better relations with such countries as Cuba, East Germany, North Korea, and North Vietnam than the adoption of a virulently anti-US policy, although a considerable amount of anti-US rhetoric can be expected. The Peronists hope to augment their trade relations with Europe and bring in European capital to replace US money. They also intend to take over at least some US businesses and force out some US banking interests. They do not intend so much to alienate the US as to demonstrate their independence. In this regard, they will be joining the governments of Peru, Chile, and Mexico, which have already moved in this direction.

Peron also is interested in developing friendly relations with the Arab states. It is hardly likely, however, that he would wish to see Argentina become a haven for Arab--or any other--revolutionaries or terrorists. Such a move could easily backfire. Yet he seems to know that this is a sensitive area for the US, and he has always enjoyed being able to stick the needle in Uncle Sam.

A Peronist Argentina will thus be a nagging vexation for the US. Nevertheless, Campora says that he intends to maintain friendly relations if he can. He may at times try to use the US as a whipping boy, but most Argentines are sophisticated enough to realize that the US is not the reason for Argentina's problems.

Other countries in Latin America may be more concerned about the impact of a return of Peronism. In fact, Brazil is already beginning to see the Peronist hand in all sorts of evil adventures. It seems to think that Argentina is going to become a haven for revolutionaries, that Campora will attempt to overthrow pro-Brazilian governments in Bolivia or Uruguay, and that he will somehow be able to isolate Brazil from its Spanish-speaking neighbors. The Peronist philosophy of leftist nationalism, obviously anathema to President Medici and his generals, adds a new aspect to the traditional rivalry between the two countries.

For its part, Argentina has always seen other nations in Latin America as somewhat inferior. It cites Brazil's "mongrel" population, the Indians in other countries, and Argentina's racial purity as reasons for Argentine superiority. Thus Argentina's economic failures have always stuck in Argentine craws when relations with other Latin nations are at issue. Argentina under Campora will probably attempt to be more aggressive in Latin America, opposing Brazil and the US in international forums, and seeking a greater role in regional economic activity. This will not sit well with the other states--they might accept Argentine equality, but never Argentine hegemony. Nevertheless, Campora will be saying some things that will strike a responsive chord in Chile, Peru, Mexico, and perhaps even Venezuela.

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Peron, Peronism, and the Campora government could represent Argentina's last chance to find political peace without turning to the extremes of leftist revolution or right-wing military dictatorship. More likely, if the Peronists come unstuck, Argentina will avoid extremism and continue to fumble along, not doing well, but not doing all that badly either. Thus, Campora's chances of achieving a modicum of success are better than even. And Juan Peron's chances of fulfilling his deep ambition--to be enshrined as the great modern hero of his people--are at an all-time high.

NAME AND ADDRESS	DATE	INITIALS
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This is the paper on Peronism that I approved several days ago. It is the first of a series of OCI memos that will deal with significant problems in considerable detail. I believe this text presents some points that would be of interest to our customers and I suggest that it be distributed to the following:

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FROM: Henry A. Kissinger

I commend this paper to your attention as an initial assessment of the implications of the return of Peronism in Argentina. It defines the assets and liabilities of the Campora government and identifies those areas of policy and action that may create problems for the US and for some of Argentina's neighbors.

Vernon A. Walters
Lieutenant General, USA
Deputy Director of Central Intelligence

Attachment:

Peronism in Power

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